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Folio:

AUGUST 1989 THE MAGAZINE FOR MAGAZINE MANAGEMENT $6.50

Folio:'s 1989 production salary survey ... page 115

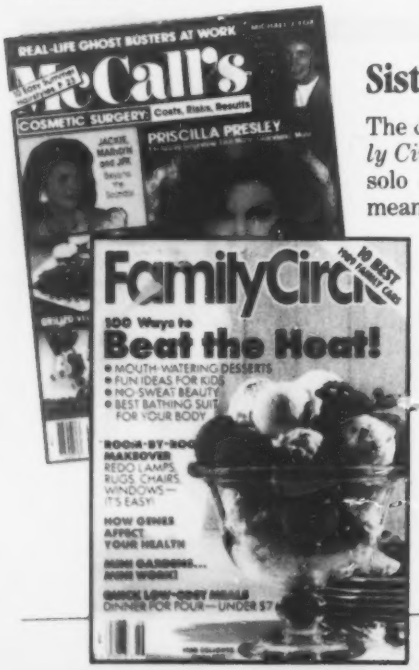
Folio: AUGUST 1989

The ad package payoff

If you are seeking new sources of ad revenue, if you suffer from year-end cancellations, if your magazine is too small to sell ads to certain accounts that like the quality of your audience, if your ad sales expenses are too high compared to revenue, or if you want to consolidate your growth and protect your market share, check out corporate or group magazine ad packages. **101**

Target marketing: The technology waits

Nothing since hot type has had the potential to change publishing as radically as selective binding. So why has it been so slow to catch on? **108**



Sisters grow closer

The combination of *McCall's* with *Family Circle* leaves *Woman's Day* as the lone solo sister. But the combination won't mean automatic rejuvenation for the title now best known for negotiating ad rates. **53**

Magazine profits slip

If you thought higher postage and production prices would bring down last year's profit margins, you were right, according to the annual Magazine Publishers of America/Price Waterhouse survey. **17**

What's the future for Time Inc. titles?

Plenty of hand-wringing is going on over the sanctity of Time Inc. magazines, but are the titles really imperiled by the current merger mania? Analysts say it could be much ado about nothing. **18**

Publishing overseas: It's tricky

Of the 17,000 magazines published in the United States, not more than 150 can be taken abroad successfully, says an international publishing expert. Is your magazine one of them? **26**

(unfold ——→)

August 1989

Putting drive back into ITRP 45

Arthur Anderman, the third president in five years, must bring International Thomson's retail titles up to date with industries they cover.

MICHAEL GARRY

Production salary survey 115

Although responsible for the largest part of a magazine's expenses, production executives appear to be paid less, on average, than other magazine execs.

The postal dilemma 158

Private-sector superstar Anthony Frank comes to the USPS with all the right instincts, but his managers are well entrenched, with all the wrong incentives.

The editor/writer relationship 123

The editor has the upper hand, and the writer knows it. So how do you foster a productive/creative partnership?

TECH TRENDS

Folio:

CD-ROM: Prime time technology

The optical storage medium is coming of age for publishing as a powerful alternative to the magazine format. **93**

How committed?

Desktop suppliers see publishers as great showcases, but focus development on the mass market. **88**

The cost puzzle

Computerizing crosswords and other puzzles cut *Games*'s costs from $212 per page to $32. **85**

Management software automates copy tracking. **85**

Frame Technology aims to be standard for NeXT desktop system. **87**

UPDATE

What's behind the newsstand dive? **19**

Media buying in the '90s. **20**

Mailing error crackdown. **21**

Unlisted phone numbers on the rise. **21**

Small titles link up to cut costs. **22**

Negotiation without rate breaking. **26**

COLUMNS

Schedules: Recognizing reality, by Jeff Parnau. **131**

Comparative advertising, by Slade Metcalf. **135**

Stamp sheets and sub prices, by Alan Inglis. **139**

Moving from editorial to ad sales, by Howard Hauben. **143**

DEPARTMENTS

Briefings 7
Joe Hanson on Magazines 11
Letters 13
Update 17
Magazine People 45
Magazine Watch 53
List Watch 65
Calendar 79
Classified 148
Point of View 158

From the ***New York Times Company Magazine Group —***
Responsive – Upscale Consumers With Terrific ***Mail-Order Buying Power***

child

child
When Not to Blow Your Top
Talk to Me, Baby!
THE RIGHT WAY TO TEACH YOURS HOW
Parent's Plight: Should You Trust Your Gut?
THE NEW THINKING
A SPECIAL SECTION FOR MOTHERS

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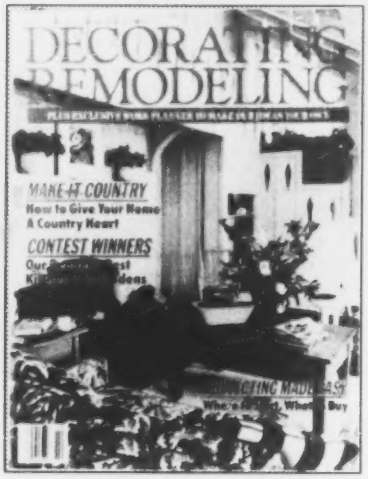

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Vol. 18 No. 8

Folio:

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FOLIO: THE MAGAZINE FOR MAGAZINE MANAGEMENT, incorporating Better Editing Magazine, is published 12 times per year. In addition to 12 regular monthly issues, the following special issue is published: FOLIO: Source Book (published in the spring). Copyright© 1989 Hanson Publishing Group, Inc. FOLIO: THE MAGAZINE FOR MAGAZINE MANAGEMENT is published by Hanson Publishing Group, Inc., 6 River Bend, P. O. Box 4949, Stamford, CT 06907-0949. 203-358-9900. Fax: 203-357-9014. And 12 E. 44th St., Fourth Floor, New York, N.Y. 10017. 212-972-6300. Fax: 212-697-9705.

Hanson Publishing Group, Inc., is an affiliate of Cowles Media Company. Other affiliated publications are Catalog Age, Inside Print, Catalog Product News, Publishing News and Direct.

For editorial reprint information, contact Roberta Thomas, 203-358-9900. (Minimum order, 100 copies)

Subscriptions: U.S.—1 year (12 issues), $68; 2 years (24 issues), $108; 3 years (36 issues), $143. Canada and Mexico—1 year (12 issues), $82; 2 years (24 issues), $132; 3 years (36 issues), $172. Foreign (air only)—1 year (12 issues), $144; 2 years (24 issues), $270; 3 years (36 issues), $384. Single copies of most past issues of FOLIO: are available prepaid at $8 per copy. Single copies of special issues cost more. European subscriptions: Euromedia Amsterdam, Euromedia Projekten, Leidsegracht 94, 1016-CS Amsterdam, The Netherlands. Postmaster: Please send address changes to FOLIO:, P. O. Box 4949, Stamford, CT. 06907-0949. ISSN 0046-4333. Second class postage paid at Stamford, Connecticut, and additional entry points.

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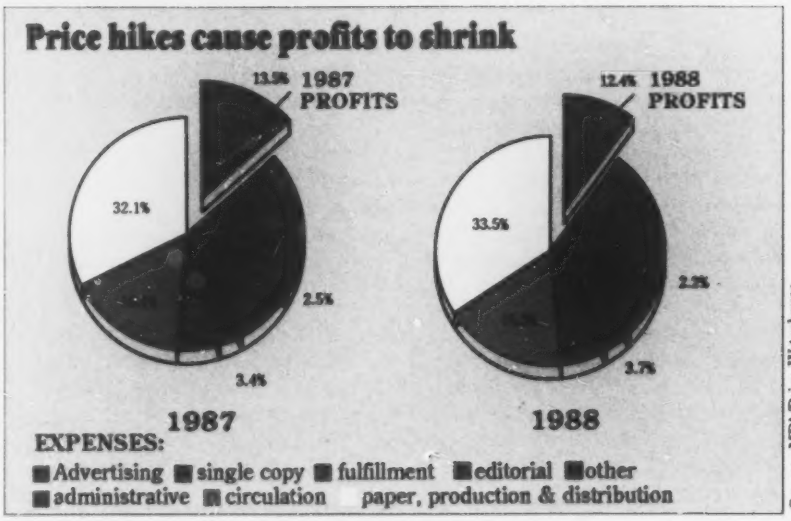
UPDATE

Magazine profits slip to 12.4%

Paper and postal cost pressures take inevitable toll on bottom line, MPA/Price Waterhouse survey reveals



***Increases** in paper, promotion and administrative costs failed to offset declines in advertising and single-copy expenses.*

New York City—If you thought that consumer magazines' pre-tax operating profits would drop last year because of unprecedented cost pressures, you were right.

The average pre-tax operating profit earned by 167 consumer magazines surveyed last year came to 12.4 percent, dropping more than a percentage point from the previous year's all-time high of 13.5 percent (based on 152 magazines), according to the latest Magazine Publishers of America (MPA)/Price Waterhouse annual financial survey. "The decline was foreseeable due to the substantial paper and postage increases of late 1987 and early 1988," states the MPA.

Until last year, profits had been on the rise. In 1985, 169 magazines reported an average 9.7 percent operating profit; a year later, profits averaged 11.0 percent.

But in 1988, combined paper, production and distribution costs increased as a percentage of total magazine revenue, from 32.1 percent in 1987 to 33.5 percent in 1988, according to the survey. Circulation costs, too, driven by the rise in third class rates, increased from 16.4 to 16.8 percent. Additional costs on the upswing include administrative and miscellaneous operating expenses—data processing, overhead, accounting, auditing and legal.

In all, total magazine costs rose from 86.5 percent of gross revenues in 1987 to 87.6 percent of revenues last year, bringing profits down to 12.4 percent.

Despite the overall increase, some costs declined. Fulfillment costs, aided by the continuing decline in pricing, slipped from 2.5 percent to 2.2 percent of revenues last year. Single-copy expenses—largely commissions to wholesalers—fell from 8.4 percent to 7.4 percent, as a result of the decline in single-copy sales. Advertising costs decreased from 9.3 percent to 9.0 percent—a reflection of the decline in trade advertising, notes Robert Farley,

(CONTINUED ON PAGE 25)

Circulation/ad picture remains healthy

But look out for single-copy slump, tighter ad market

New York City—The magazine industry is basically healthy. Share of media ad dollars is stable, circulation revenues are spiraling past advertising income, and magazines' ability to deliver targeted audiences ensures a rosy future.

But those same ad dollars are being split among more magazines; rate card negotiations are continuing to grow along with postal, paper and production costs; and advertisers are increasingly skeptical about the effectiveness of their ads.

These are the views of Sandra Rifkin, editor in chief of *Marketing & Media Decisions*, and Donald Kummerfeld, president of Magazine Publishers of America (MPA), who spoke about the state of the magazine and advertising industries at the recent Mergers & Acquisitions Conference cosponsored

Corrections

An Update on list brokerage commissions in the June 1989 FOLIO:, page 20, incorrectly identified *Harper's Magazine*, *New England Monthly* and *Texas Monthly* as clients of The Kleid Company, which pays 10 percent list brokerage commissions. The lists of the magazines, formerly managed by Kleid, are now managed by CompuName, which pays 20 percent commissions.

Computer & Software News, featured in a July Briefing, was inaccurately referred to on second reference as *CSN*, rather than *C+SN*. The letters *CSN* commonly refer to *Computer Systems News*.

The Heritage Hill area of Grand Rapids, referred to in July's Update, " 'Historical' supplement pulls in new revenues," consists of 1,300 homes, 12 of which are featured in a house tour supplement published by *Grand Rapids Magazine*. The title's assistant sales manager is Kimberly Racette.

Magazine profits slip

(CONTINUED FROM PAGE 17)

MPA senior vice president.

For the first time since 1984, advertising revenues, as a percentage of overall revenues, increased. After falling continuously from 51.2 percent of revenue in 1984 to 47.3 percent in 1987, ad revenues came back up to 48.4 percent last year. Circulation revenues, meanwhile, declined as a percentage of the total from 52.7 percent in 1987 to 51.6 percent last year, after being on the rise for the previous several years.

Why the switch? Last year—an Olympic and presidential election year—was healthy for consumer magazine advertising, as overall revenues jumped 8.7 percent. But now, Farly says, "it's too early to tell" whether the trend of the past half-decade is over.

Meanwhile, the big reason for circulation's revenue decline was the drop of single-copy sales from 15.6 percent to 14.6 percent of revenues. Gross subscription sales remained about the same.—*M.G.*

Time Inc. battle

(CONTINUED FROM PAGE 18)

to the Publishers Information Bureau.

"You can operate [the magazines] on a fairly limited equity," says J. Kendrick Noble, first vice president, Paine Webber. "Therefore, I don't think they'd be attractive candidates for disposition." Moreover, analysts say, the capital gains taxes on the magazines, many of which Time started, would be enormous.

The cashflow and prestige of the titles, analysts argue, would also likely sway Paramount from selling them, if it wins its bid to buy Time at $200 a share, creating a $12 billion debt. If sold, the magazine division is estimated to be worth $3.8 billion; the book division, $1.2 billion; HBO and home video operations, $1.3 billion; and the cable television operations, $6.7 billion, according to Shearson Lehman Hutton figures.

The odds of Paramount selling the magazine chunk are "less than 50-50," according to Jay Nelson, manager of the research department of Brown Brothers Harriman & Co. Splitting off titles from the division wouldn't make sense, either, he adds, if it disrupted Time Inc.'s ad network, Maxplan.

If assets must be sold, Nelson and Noble agree that a logical first choice would be parts of Time's book division—particularly textbook publisher Scott, Foresman & Co., which overlaps with Paramount's Prentice Hall.

But some analysts say a magazine sale by Paramount is more likely. First, Paramount has almost no experience in the magazine business, having only once tried and failed to spin off a publication from the TV show "Entertainment Tonight." Second, they say, the sale of smaller divisions, like the books, would not go very far in reducing the looming debt load.

"If the magazine section's cashflow becomes weaker, the debt load may overwhelm them," says an analyst at a major securities firm. "Media people are crazy when they say Time can't sell *Time* magazine. It's only a business."

Other factors could argue for a magazine sale. The possibility of a recession next year, for example, would slow cashflow of many of Time Inc.'s businesses, making debt payments more difficult to meet. Rising interest rates would also make debt service more difficult. And if the bidding process continues to leap, the higher the price, the larger the debt, and the more likely the sale of assets.

"If business conditions weaken, cashflow becomes restricted, and debt load becomes a real problem, Paramount will have to do something," says a source. "But that still doesn't mean it would sell the magazine division. There are other things it could sell first."—*M.H.*

Employees take it hard

New York City—The Time Inc. that was, is no more and will never return. That's the feeling among both short- and long-term Time employees, shaken by the ownership battle and certain, deep debt.

"If this is the way corporate America will proceed, why should there be any employee loyalty at all?" asks a 30-year veteran. "Employees are not commodities to be bought and sold."

Under Time Inc.'s stock plan, employees with 10 to 15 years of experience could profit handsomely if Paramount's higher bid ultimately wins. But those who profit, they say, might also lose their jobs. Accordingly, sources say, most favor the Warner deal.

Sources agree that most of the constant chatter in the hallways immediately following Paramount's hostile bid has now died down. "After a while, you say what the hell," says one. While no one has quit, hiring has become more difficult.

Most sources expressed regret that the original offer to merge with Warner—a deal that would have produced little debt—is no longer possible, and that this may have marked the end of an era for Time Inc. "Time started *Sports Illustrated* in 1954 and it didn't make a profit for 10 years," says one veteran. There was profit-sharing then, too, and we bitched about it. There is no way this company could [nurture unprofitable titles] again."—*M.H.*

FOLIO:'s 1989

Production salary survey

Pay distinctions among production directors, based on criteria like size of magazine or years in the business, are substantial

BY ROBERT M. STEED

The responses to FOLIO:'s fifth annual production salary survey paint a picture of a group of dedicated professionals working under high pressure to ensure that their magazines are produced on time, within quality standards, and on budget—perhaps the toughest obstacle of all.

Although typically responsible for the largest part of a magazine's expense budget, production executives appear to be paid less, on average, than many of their counterparts in other magazine functions. As one production director put it, "It's a challenge to accurately develop and maintain a $3.5 million manufacturing budget for two magazines while earning 0.69 percent of that budget."

Some hypotheses that might explain those pay levels, at least in part, lie in the mix of responses to this survey. For example:

• Although 53 percent of the questionnaires were sent to people whose masthead designation suggested they were production *directors*, almost two-thirds of the responses came from people who said they were production *managers*. This strongly suggests that many production directors (on the masthead) found the job description of production manager more in line with their responsibilities. It may also imply that some publishers are using title, as opposed to salary, as a reward.

• Responses from production directors were skewed toward larger magazines. One-third of the sample was directed to magazines with over 100,000 circulation. Yet 50 percent of the responses from production directors came from those magazines. The strong relationship between size of magazine and pay may account for some of the overall pay difference between directors and managers.

Looking at the survey responses in more detail, some other general conclusions can be stated:

• Pay distinctions among production directors, based on criteria such as size of magazine or years in the industry, are substantial. Among production managers, those distinctions are far smaller.

• A majority of both directors and managers are responsible for more than one magazine.

• Although half the directors and over 70 percent of the managers are female, women trail men in earnings by a substantial margin.

• There is relatively little difference in pay between directors and managers working on consumer versus business magazines.

• These respondents have exten-

PHOTOGRAPHS BY PAUL MCGUIRK

Robert M. Steed is managing director of Performance Plus . . . Inc., a New York-based consulting firm that uses improvisational dramatizations to provide corporate clients with a broad range of programs for seminars, conferences, training courses and communications efforts. Before cofounding Performance Plus . . . , he was vice president and director of personnel of Time Inc.

"Trimming the fat out of in-house and pre-press costs through appropriate use of new technologies keeps me busy."

—Production director working on a consumer monthly with circulation of more than 200,000, earning salary and bonus in the low forties.

sive experience. Over half the directors and 22 percent of the managers have been in production more than 10 years.

Production directors

The salary of production directors averages $45,828, and is essentially the same for those working on consumer and business magazines. Among those eligible for a bonus, total compensation jumps to $53,299, partly because of the bonus and partly because the salary alone of directors eligible for a bonus is about $3,500 more than the salary of those who are not eligible.

As is true of all other groups participating in FOLIO: salary surveys, production directors in the Northeast earn substantially more than their counterparts in other parts of the country. They are 16 percent ahead of the nearest group (in the West) and 33 percent in front of the lowest paying area of the country—the South Atlantic.

The salary of female directors is only 73 percent that of men, although they hold down half the director jobs. That ratio falls to 66 percent on a total compensation basis; and a greater proportion of men receive bonuses besides. Because this survey tests only one variable at a time (see box on using the numbers), it is not possible to tell how much of this outcome results from factors other than sex—for example, size of magazine or experience.

And experience is clearly an important factor. Directors who have been in production over 20 years—fully 19 percent of the sample—earn salary about twice that of those in the business less than four years. The data further suggest those substantial rewards take a long time to earn. For example, the total compensation of directors with over 20 years' experience is a very respectable $77,535, almost $20,000 more than those with 11 to 20 years in the business.

Working on weeklies or biweeklies also helps. Directors on those magazines earn about $7,000 more than their counterparts on monthlies and over $11,000 more than those on magazines with other frequencies.

Running throughout the data, the indicators that most clearly predict salary and total compensation are size of the magazine and scope of the director's responsibility, with the sharpest jumps coming at the upper end of those indicators. For example:

- The salary of directors on magazines with over 500,000 circulation is more than $12,000 higher than for those on magazines with 100,000 to 500,000 circulation; and they, in turn, earn $12,000 more than those in the lowest paying circulation bracket. Oddly, directors on the very smallest magazines (up to 20,000 in circulation) actually earn more than those in the next lar[illegible]oup.
- This [illegible]ern of slowly increasing salaries followed by a large jump in the highest grouping is repeated when we examine average pages produced, where directors responsible for 3,000 or more pages per year earn $12,000 to

Using the numbers

It is important to use the salary information in this survey cautiously. In many instances, there were not enough respondents in certain subcategories to allow valid conclusions to be reached, because even one exceptionally high or low salary could affect the average dramatically. For this reason, FOLIO: is publishing the number of respondents in each cell (shown in parentheses). In addition, not all respondents answered all questions. Therefore, the total number of respondents in the "average" column of a chart is not necessarily the sum of the subcategories.

The survey also examines only one variable at a time. For example, production directors in the Northeast earn higher salaries than their peers in other regions. But are those in the Northeast who participated in the survey working on larger magazines? Are they the ones with the most experience? The survey methodology does not enable these multiple variables to be analyzed.

One should also be cautious about comparing the data in this survey with data from prior years. Because the sample is drawn randomly from mastheads each year, those who responded to this survey may well come from a different mix of magazines or demographics than respondents to prior surveys. Comparisons are thus best made not on the broad averages, but on the more detailed breakdowns by magazine size, respondents' experience, and the like.

"Turnover's a problem. Production people work in a high pressure area and eventually get fed up with the low pay and long, frustrating hours."

—Production director in the Midwest with 20 years' experience, earning $90,000 in salary and bonus.

$16,000 more than those in any other size grouping.

• Directors on larger magazines probably also have larger staffs, accounting for the fact that directors who supervise more than five people receive salaries of $58,168, which is $16,000 higher than those with a staff of two to five. The total compensation of those who receive a bonus jumps to $74,309, again far higher than any of their peers with less supervisory responsibility.

• Being responsible for more than one magazine is also a clear indicator of higher earnings, with those directors receiving 20 percent more in salary (and 25 percent more in total compensation) than directors with just one magazine under their purview.

All of this indicates that, over the long haul, production directors—at

Production director

Production director (may be called vice president of production): Negotiates printing, typesetting and engraving contracts; establishes production schedules. Oversees individual production managers and advises on technical matters; is directly responsible for quality control.

Average salaries (The number of respondents is in parentheses.)		% increase from '88 to '89
All respondents	$45,828 (153)	7.9%
Business	45,752 (82)	7.2
Consumer	45,747 (67)	8.9
Top one-third	$66,015 (51)	
Middle one-third	42,486 (51)	
Bottom one-third	28,983 (51)	

	Average	Average business	Average consumer
By region:			
Northeast	$51,951 (64)	$51,381 (35)	$52,640 (29)
South Atlantic	38,908 (24)	42,060 (13)	35,182 (11)
Central	40,404 (34)	38,947 (18)	43,407 (14)
Western	44,494 (31)	44,094 (16)	41,831 (13)
By sex:			
Male	$52,906 (76)	$54,025 (39)	$52,086 (33)
Female	38,843 (77)	38,248 (43)	39,594 (34)
Eligible for bonus/incentive:			
Yes	$47,691 (72)	$47,338 (37)	$48,447 (34)
No	44,173 (81)	44,448 (45)	42,965 (33)
By years in production:			
Up to 3	$30,973 (11)	$26,167 (3)	$32,775 (8)
4-10	41,600 (62)	38,363 (28)	42,970 (32)
11-20	46,244 (50)	47,330 (33)	45,687 (15)
More than 20	60,073 (29)	57,618 (18)	64,091 (11)
Responsible for:			
One magazine	$40,763 (62)	$42,815 (29)	$38,959 (33)
More than one	49,062 (88)	47,020 (51)	52,255 (33)
By employees supervised:			
None	$38,458 (12)	$34,200 (5)	$42,583 (6)
One	39,964 (23)	39,109 (14)	41,294 (9)
2-5	42,069 (77)	43,418 (41)	40,834 (35)
More than 5	58,168 (40)	56,955 (22)	59,335 (17)
By circulation:†			
Up to 19,999	$39,492 (13)	$40,300 (11)	$35,050 (2)
20,000-49,999	36,143 (29)	38,880 (23)	25,650 (6)
50,000-99,999	41,953 (34)	42,916 (19)	42,000 (13)
100,000-499,999	48,151 (52)	54,219 (26)	42,083 (26)
500,000 and more	60,796 (25)	63,000 (3)	60,045 (20)
By frequency:†			
Weekly/biweekly	$52,310 (29)	$49,726 (19)	$57,220 (10)
Monthly	45,254 (98)	45,321 (55)	44,696 (42)
Other	41,179 (24)	39,669 (7)	41,040 (15)
By average total pages produced annually:†			
Up to 499	$40,132 (12)	$45,547 (4)	$37,425 (8)
500-999	40,544 (25)	41,056 (16)	39,633 (9)
1,000-1,499	43,049 (36)	43,738 (21)	38,558 (13)
1,500-2,999	44,581 (32)	40,680 (16)	48,481 (16)
3,000 or more	56,030 (40)	55,510 (21)	57,806 (18)

†Refers to the largest circulation magazine on which respondent works.

Production manager

Production manager: Directly responsible for daily production operations, including publication paste-up, quality control and maintaining production schedules. Is liaison with printing plant. May traffic advertising and editorial materials.

Average salaries (The number of respondents is in parentheses.)		% increase from '88 to '89
All respondents	$27,256 (292)	9.3%
Business	26,944 (177)	8.8
Consumer	28,188 (105)	9.8
Top one-third	$36,814 (97)	
Middle one-third	26,125 (97)	
Bottom one-third	18,917 (98)	

	Average	Average business	Average consumer
By region:			
Northeast	$30,276 (106)	$29,310 (64)	$32,480 (39)
South Atlantic	25,444 (36)	25,598 (20)	25,500 (14)
Central	24,851 (94)	25,088 (70)	23,628 (22)
Western	26,596 (55)	27,178 (23)	26,937 (29)
By sex:			
Male	$30,995 (78)	$31,156 (45)	$31,212 (31)
Female	25,846 (213)	25,428 (131)	26,920 (74)
Eligible for bonus/incentive:			
Yes	$26,253 (122)	$25,338 (73)	$27,580 (46)
No	27,977 (170)	28,071 (104)	28,661 (59)
By years in production:			
Up to 3	$23,017 (90)	$22,981 (61)	$23,548 (26)
4-10	27,500 (136)	26,626 (77)	28,719 (56)
11-20	32,606 (52)	34,012 (28)	31,372 (22)
More than 20	32,370 (13)	33,366 (10)	49,000 (1)
Responsible for:			
One magazine	$27,240 (126)	$25,964 (68)	$28,801 (52)
More than one	27,216 (165)	27,477 (108)	27,586 (53)
By employees supervised:			
None	$24,475 (94)	$23,925 (64)	$26,440 (28)
One	26,575 (61)	26,995 (38)	25,440 (20)
2-5	28,793 (102)	28,131 (56)	30,302 (43)
More than 5	31,707 (33)	34,279 (17)	29,113 (14)
By circulation:†			
Up to 19,999	$24,045 (60)	$24,809 (44)	$21,864 (14)
20,000-49,999	24,035 (82)	25,134 (60)	21,937 (19)
50,000-99,999	28,260 (55)	28,015 (34)	29,140 (19)
100,000-499,999	30,416 (66)	30,846 (30)	29,974 (35)
500,000 and more	36,351 (21)	34,250 (6)	37,191 (15)
By frequency:†			
Weekly/biweekly	$30,493 (28)	$31,847 (19)	$26,963 (8)
Monthly	27,005 (206)	26,033 (129)	29,077 (73)
Other	26,566 (54)	27,490 (28)	25,890 (24)
By average total pages produced annually:†			
Up to 499	$24,391 (45)	$24,932 (32)	$23,062 (13)
500-999	25,372 (79)	24,946 (49)	26,375 (28)
1,000-1,499	27,178 (63)	27,257 (32)	27,839 (28)
1,500-2,999	30,186 (62)	29,185 (38)	32,248 (22)
3,000 or more	31,398 (22)	31,293 (14)	31,583 (8)

†Refers to the largest circulation magazine on which respondent works.

least on larger magazines—can earn substantial rewards for their dedication and talent.

Production managers

The most striking overall conclusion from the data on production managers is that the salary and total compensation differences, based on demographics or size of magazine, are relatively small—especially when compared to the data on production directors.

Managers average $27,256 in salary, about 60 percent less than directors. Although managers on consumer magazines earn more than those on business magazines, the difference of $1,244 is virtually meaningless.

Bonuses are not an important factor in the compensation of production managers. The salary of those who are not eligible is about $1,700 more than those who are. And the total compensation of the 39 percent of managers who receive a bonus is only $700 more than those who don't.

> "It's important to make both editorial and art staffs truly understand the economic impact of their respective decisions regarding production/ technical processes."
>
> —Production manager in the Northeast, working on a bimonthly consumer title, earning salary in the low thirties.

Almost three-quarters of the managers are female, and their salary is 83 percent of men's. This ratio increases to 88 percent on a total compensation basis. The Northeast region again leads the pack in pay, but salaries there average only 22 percent higher than those in the Central region, the lowest paying area in this survey.

Although experience pays, the impact is not as great as one might expect. Managers in production 11 to 20 years are paid salary about the same as those with more than 20 years' experience; and the two groups together make up 22 percent of the sample. Further, the

Average annual total compensation*

	Production director	Production manager
Receive bonus/incentive:		
Yes	$53,299 (66)	$28,670 (107)
No	44,173 (81)	27,977 (170)
Magazine type:		
Consumer	$54,119 (30)	$30,086 (40)
Business	52,833 (35)	27,731 (66)
By region:		
Northeast	$61,736 (26)	$32,520 (41)
South Atlantic	41,017 (12)	24,965 (12)
Central	51,403 (15)	27,379 (33)
Western	49,950 (13)	24,783 (20)
By sex:		
Male	$62,750 (37)	$31,421 (31)
Female	41,241 (29)	27,548 (76)
By years in production:		
Up to 3	$34,175 (4)	$25,347 (39)
4-10	42,612 (29)	28,707 (50)
11-20	55,779 (19)	35,762 (16)
More than 20	77,535 (14)	35,835 (2)
Responsible for:		
One magazine	$45,344 (22)	$28,279 (46)
More than one	56,858 (41)	28,832 (60)
By employees supervised:		
None	$47,300 (6)	$26,347 (38)
One	38,539 (8)	26,998 (22)
2-5	43,028 (30)	30,207 (35)
More than 5	74,309 (22)	35,604 (11)
By circulation:†		
Up to 19,999	$42,950 (5)	$26,025 (22)
20,000-49,999	35,661 (14)	25,209 (26)
50,000-99,999	50,480 (19)	29,691 (25)
100,000-499,999	60,601 (18)	29,923 (24)
500,000 and more	75,380 (10)	39,413 (8)
By frequency:†		
Weekly/biweekly	$59,316 (16)	$32,496 (12)
Monthly	52,591 (44)	28,295 (77)
Other	41,937 (5)	27,178 (17)
By average total pages produced annually:†		
Up to 499	$39,843 (2)	$24,571 (11)
500-999	51,014 (11)	27,635 (32)
1,000-1,499	43,189 (14)	28,515 (28)
1,500-2,999	46,627 (16)	31,131 (24)
3,000 or more	71,740 (20)	29,033 (7)

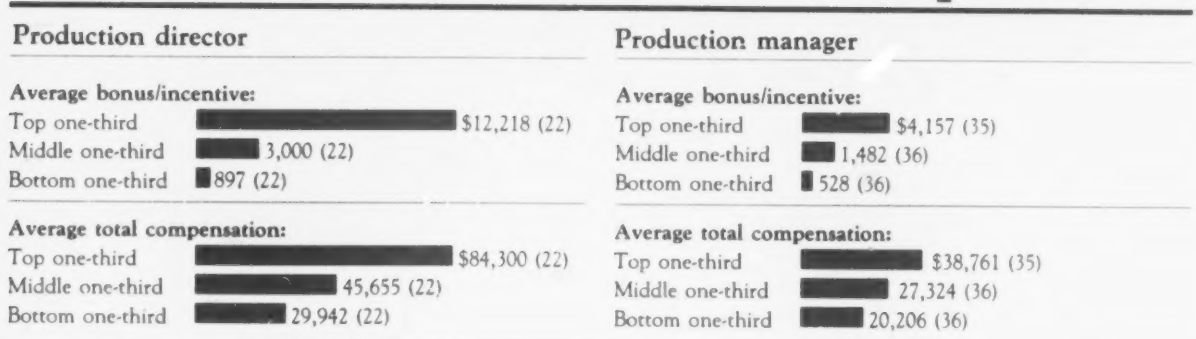
*Includes only individuals who reported receiving both salary and bonus; the number of respondents is in parentheses.
†Refers to the largest circulation magazine on which respondent works.

Average annual bonus/incentive*

	Production director	Production manager
Average bonus/incentive:	$5,372 (66)	$2,036 (107)
Magazine type:		
Consumer	$5,296 (30)	$2,103 (40)
Business	5,304 (35)	2,011 (66)
By region:		
Northeast	$6,740 (26)	$2,416 (41)
South Atlantic	2,702 (12)	940 (12)
Central	5,320 (15)	2,313 (33)
Western	5,158 (13)	1,530 (20)
By sex:		
Male	$7,089 (37)	$2,403 (31)
Female	3,180 (29)	1,887 (76)
By years in production:		
Up to 3	$1,875 (4)	$1,933 (39)
4-10	3,755 (29)	1,949 (50)
11-20	5,401 (19)	2,509 (16)
More than 20	9,679 (14)	2,453 (2)
Responsible for:		
One magazine	$4,144 (22)	$1,968 (46)
More than one	5,887 (41)	2,106 (60)
By employees supervised:		
None	$4,300 (6)	$1,965 (38)
One	1,928 (8)	1,761 (22)
2-5	3,093 (30)	2,159 (35)
More than 5	10,023 (22)	2,564 (11)
By circulation:†		
Up to 19,999	$2,750 (5)	$1,857 (22)
20,000-49,999	2,793 (14)	1,843 (26)
50,000-99,999	5,459 (19)	2,354 (25)
100,000-499,999	5,997 (18)	1,810 (24)
500,000 and more	9,000 (10)	2,975 (8)
By frequency:†		
Weekly/biweekly	$6,034 (16)	$2,529 (12)
Monthly	5,374 (44)	2,091 (77)
Other	2,300 (5)	1,501 (17)
By average total pages produced annually:†		
Up to 499	$1,750 (2)	$1,530 (11)
500-999	4,873 (11)	1,924 (32)
1,000-1,499	4,696 (14)	2,331 (28)
1,500-2,999	2,734 (16)	1,952 (24)
3,000 or more	9,075 (20)	2,296 (7)

*Includes only individuals who reported receiving both salary and bonus; the number of respondents is in parentheses.
†Refers to the largest circulation magazine on which respondent works.

Range of average bonus/incentive and total compensation*



*Includes only individuals who reported receiving both salary and bonus; the number of respondents is in parentheses.

most junior managers earn about 71 percent of the salary of the most senior—as opposed to 50 percent among directors.

Even differences based on size of magazine or scope of responsibility are relatively narrow. For example:

• There is a steady increase in pay from the smallest magazine to the largest; but still, managers working on magazines with over 500,000 circulation earn only 50 percent more than those on magazines with under 20,000 circulation.

• Turning to average pages produced, managers on the largest magazines earn only $7,000 (29 percent) more than those on the smallest.

• Only 11 percent of the managers supervise more than five employees. But even that doesn't seem to help a lot, for they earn only 29 percent more than their counterparts who supervise no one.

• And having responsibility for more than one magazine doesn't help at all. Managers who do earn almost exactly the same salary and total compensation as those who don't.

Breaking it out

FOLIO: has also divided the sample in thirds, showing the average salary and total compensation of the top, middle and bottom third of directors and managers. These figures clearly illustrate the narrow range of pay among managers. The top third of production managers earn salary and total compensation only 1.9 times that of the bottom third. By contrast, among production directors, the top third outearns the bottom third by 2.3 times in salary and 2.8 times in total compensation.

These results lead to significant differences in pay between directors and managers. The average salary and total compensation of directors is greater, by 68 percent and 85 percent, respectively, than that of managers. And for the top third in each job category, salary and total compensation for directors is 79 percent and 117 percent higher.

Notwithstanding differences in pay, however, directors and managers appear united in their commitment to their profession. As noted earlier, a larger than expected percentage of each group has been in production more than 10 years.

And when asked about their greatest production challenge, their focus was not on griping, but on maintaining an effective balance between quality and cost, between ad and edit, between attending to the myriad production details and ensuring they stay on top of rapidly changing technology. All under intense deadline pressure.

Those comments further indicate that production executives relish—indeed thrive on—those challenges. And they suggest that directors and managers alike hope for increased rewards, both financial and otherwise, as they continue to meet those challenges successfully. Given the growing recognition of the production profession as a crucial element in publishing success, we would expect that hope to be increasingly realized.□

Methodology

Four hundred ninety-two of the 1,083 production professionals who received questionnaires responded to FOLIO:'s fifth annual production salary survey, resulting in an overall response rate of 45.4 percent. Of the total responses, 445 (41.1 percent) contained sufficient information to be used for tabulation. The survey was conducted through two mailing efforts in February. Participants were asked to supply data reflecting 1989 earnings; if exact figures were unavailable, they were requested to estimate.

In some cases, respondents did not give an exact bonus figure, but gave an expected range instead. Here the mean was used for tabulation. For example, if a production professional indicated that his or her annual bonus would be between $4,000 and $6,000, the arithmetic mean of $5,000 was used as that respondent's expected bonus for the year.

About 53 percent of the mailing was sent to production directors and 47 percent to production managers. Each category was evenly divided between consumer and business publications; two-thirds of the sample was drawn from magazines with under 100,000 in circulation, while one-third came from magazines with over 100,000.

A job description has been included with each compensation chart. These descriptions were printed on the questionnaire, and respondents were asked to choose the description that most accurately reflected their duties.